

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5774
ANSWERED ON:03.05.2002
DISCONTINUATION OF FUNDS UNDER SGSY BY NABARD
VARKALA RADHAKRISHNAN

Will the Minister of FINANCE be pleased to state:

- (a) whether NABARD has decided to discontinue its funding the Swarnjayanti Gramm Swarnjayanti Yojana;
- (b) if so, the details alongwith the reasons therefor;
- (c) whether the decision of the NABARD will jeopardize the ongoing schemes aimed at development of the rural sectors;
- (d) whether the Government have received any communication from the Government of Kerala seeking reversal of the NABARD decision; and
- (e) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI GINGEE N. RAMACHANDRAN)

(a): No, Sir.

(b) & (c): Do not arise in view of above.

(d) & (e): Government of Kerala had written to Ministry of Rural Development seeking refinance facility for State Co-operative Institutions in Kerala under the Swarnajayanthi Gram Swarojgar Yojana (SCSY) through National Bank for Agriculture and Rural development (NABARD). NABARD's refinance had been suspended to the Kerala State Co-operative Bank in July 1999 as it had placed deposits in Government treasuries directly or indirectly in violation of Reserve Bank of India (RBI) instructions in this regard. However, based on the representations/requests received, the position was reviewed in June 2001 and all types of NABARD refinance facilities were restored as a very special case subject to certain conditions to such cooperative institutions who had not violated RBI instructions.